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# Latin America Report

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PEMEX OFFICIALS: CONDITIONS FAVORABLE FOR OIL DISCOVERY

San Jose LA NACION in Spanish 21 Aug 81 p 2A

[Text] Three top officials from PEMEX [Mexican Petroleum] yesterday said that Costa Rica has the favorable conditions required for finding a commercial deposit of petroleum in its subsoil.

This statement was made after completion of an analysis of a series of geophysical and geological studies done in Costa Rica over the past 8 months.

The officials from PEMEX were: Jesus Chavarria, advisor to the director general of PEMEX; Felipe Espinoza, director of exploration; and the engineer Octavio Mejia.

Nonetheless, they said that not until the subsoil is drilled in the Atlantic region to the south of the country will they be able to determine whether petroleum exists there in commercial quantities.

The minister of energy, Fernando Altmann Ortiz, and the Mexican petroleum experts have therefore agreed to drill two oil wells near the town of Bribri and in the coastal lowlands near Limon.

The drilling will begin in December 1981 and will reach a depth of 4,000 and 6,000 meters.

The drilling program may conclude 4 or 5 months later.

Statement

The PEMEX officials yesterday released an official statement, saying that: "based on the geological and geophysical data analyzed, including superficial manifestations of hydrocarbons found in various areas of the country, the existence of hydrocarbon-generating rocks has become evident."

They added that "the seismology of the areas studied indicates the presence of large layers of sedimentary rocks and of structures which may contain hydrocarbons."

They also said that "a study of the surface geological profiles and of the electrical profiles of some of the wells drilled indicates the presence of porous rocks."

They then pointed out that "all these factors combined form the three basic indications of the existence of deposits of a commercial type."

The PEMEX officials said that exploratory drillings are expected to begin before the year's end. These drillings will be able to confirm the validity of their evaluations.

The officials yesterday held a press conference in which they did not hesitate to say that the geological conditions observed in Costa Rica are similar to those in Mexico, where petroleum in commercial quantities has been found for quite a long time.

To carry out this drilling program, a 12-kilometer road will have to be built in the Atlantic area in order to bring in heavy drilling equipment.

They will also establish a small unloading point on the Atlantic coast so that the drilling equipment can be set up on the coast; this equipment will be leased from PEMEX.

PEMEX now provides technical assistance to India, China, Cuba, Jamaica, and Costa Rica. But the first joint drilling program is the one to be conducted in Costa Rica.

#### Potential

The Mexican experts also said that there are good possibilities of finding petroleum in commercial quantities in the first two wells drilled.

Nonetheless, they added that the fact that they may not find any petroleum in these wells does not mean that the area should be given up. They recalled their experience in Baja California, where 26 exploratory wells were drilled in search of oil, and not until well 27 did they find huge quantities suitable for exploitation.

PEMEX will not charge Costa Rica for the commercial work. Costa Rica will only have to pay the operating costs for each well; this comes to about \$2 million, explained the minister Altmann Ortiz.

The Costa Rican official and the Mexican visitors yesterday agreed to extend the technical collaboration agreement between PEMEX and RECOPE [Costa Rican Oil Refinery] until 3 August 1982.

This agreement was signed on 6 November 1980.

7679

CSO: 3010/1780



RECOPE LACKS MONEY TO PAY FOR OIL IMPORTS

San Jose LA NACION in Spanish 22 Aug 81 p 8A

[Text] RECOPE [Costa Rican Oil Refinery] has no money to pay for crude imports, and at this time talks are being held with Venezuela and Mexico to induce them to send fuel shipments while the form of payment is still being negotiated.

According to the executive director of the refinery, Jose Antonio Lara Eduarte, the present situation with both nations, our fuel suppliers, is somewhat unclear.

He said that talks are now in progress so that Costa Rica will not lack petroleum. One tanker is to sail from Mexico next week.

Credit

In the meantime, the minister of foreign relations, Dr Bernd Niehaus, and the minister of energy and mines, Fernando Altmann Ortiz, are attempting to obtain loans from international banks for petroleum purchases.

According to Mr Lara Eduarte, crude is sold "strictly for cash." This means that the ship is loaded when the importer pays.

The executive director of the refinery recognized the work that is being done to obtain loans, but so far, he said, nothing has been definitely settled.

Debts

Lara Eduarte reported that as of 31 July RECOPE's cumulative short-term debts amounted to 3.262 billion colons.

This means, he said, that RECOPE will have to obtain additional resources to pay off its debts. This could be done, he said, by increasing fuel prices or by eliminating subsidies.

The RECOPE director explained that this could provide the basis for a resolution of the situation by the mid-term period--about 7 years. After that, the refinery would again be free from debt.

Nonetheless, the official warned that the elimination of subsidies would not mean a price decline, but he said that this money would have to remain in the business.

According to Lara Eduarte, RECOPE's short-term debt, including some now past due, amounts to 2.587 billion colons.

7679

CSO: 3010/1780

## BRIEFS

RECOPE MAINTAINS FUEL PRICES--Even in the hypothetical case in which RECOPE [Costa Rica Oil Refinery] is able to eliminate the subsidies it now grants for different activities, the company will work to preserve and even increase fuel prices in order to discourage consumption. According to RECOPE's executive director, Jose Antonio Lara Eduarte, the refinery now grants subsidies of approximately 800 million colons a year, and even if these subsidies can be eliminated, the firm's position is that high prices must be maintained. He did say, however, that the real price of gasoline would remain at 7 colons per liter, which will still give RECOPE a profit. RECOPE provides subsidies for buses in an amount of 450 million; subsidies to help solve the government's fiscal problems, amounting to 80 million; to fishermen, 40 million; and for the Moin port complex, 90 million. In addition, RECOPE also subsidizes the price of bunker fuel, to the amount of approximately 150 million colons. All together, this come to approximately 800 million colons. [Excerpt] [San Jose LA NACION in Spanish 16 Aug 81 p 8A] 7679

CSO: 3010/1780

## BRIEFS

JAMAICAN OFFICIAL VISITS VENEZUELA--Caracas, 11 Sep (CANA-REUTER)--Jamaican Prime Minister Edward Seaga said today he hoped moderation would prevail over extremism in violence-racked El Salvador where he said external factors has complicated the search for a political solution. But Mr Seaga refused to comment to reporters at the end of the first day of an official 2-day visit here on recent Franco-Mexican recognition of guerrillas fighting to overthrow the Salvadoran civilian-military junta. We still hope that the moderate forces will prevail and that there will be a settlement in that country which will...eventually allow elections so that the people can choose the kind of government they want, he said. I would not want to make any comment with regard to the position of other countries, he added when asked about the general Latin American condemnation of the Franco-Mexican declaration. But he said the situation is complicated by other problems that are arising externally to El Salvador. Mr Seaga was greeted on his arrival this morning by President Luis Herrera Campins, which official spokesmen said showed special deference towards the Jamaican leader. Protocol would normally require a prime minister to be met by the foreign minister, Alberto Zambrano. Diplomatic sources said the gesture was made to reinforce Venezuelan support for Mr Seaga who came to power in Jamaica in elections last year and whose government maintains close links with Venezuela. [Excerpt] [FL110140 Bridgetown CANA in English 0032 GMT 11 Sep 81]

CSO: 3025/1030

## BRIEFS

OPPOSITION PARTIES--There will be no merger between the Social Democratic Party [SDP] and the Free National Movement [FNM]. This was confirmed by the leader of the opposition, Mr Norman Solomon, at a news conference yesterday. [Reporter] Mike Smith explains the SDP's reasons why they are not hopeful of a merger: [Begin recording] Mr Norman Solomon, the SDP leader, said that his party submitted, upon request of the FNM, a concrete proposal in which the SDP clearly proposed an exploratory meeting between both parties. Mr Solomon said that the elected leadership of that party agreed 5 months ago that the party should put the welfare of the Bahamian people above all else, and that is why, Mr Solomon said, that efforts were made to unite the two parties. Today he said all attempts towards a merger with the FNM to find a combined opposition have failed. The party, Mr Solomon said, sympathizes with the concern and questions of the sector which has been asking: Why can't you people get together? At the news conference, Mr Solomon released the text of his party's correspondence to the FNM to the public. Only 2 days ago, he said, Mr Kendal Isaacs, leader of the FNM, refused to release his letters to the public. The SDP, Mr Solomon said, started corresponding with the SDP [as heard] on the matter as far back as 1 April. Mr Solomon said that it is not the intention of the SDP to waste talent and energy to attack the FNM. The Progressive Liberal Party, PLP, he said, will deal with that. [Excerpt] [FL041230 Nassau Domestic Service in English 1200 GMT 4 Sep 81]

CSO: 3025/1030



## SOUTH AFRICA STRONGLY CONDEMNED

FL032307 Bridgetown CANA in English 2218 GMT 3 Sep 81

[Text] Bridgetown, Barbados, 4 Sep (CANA)--Barbados tonight issued a strong condemnation of last week's South African military incursion into Angola and restated its call for mandatory economic sanctions against the racist Pretoria regime. A statement from Barbados' Foreign Minister Louis Tull described the South African action as a flagrant violation of international law. "This latest act of aggression is another manifestation of the inflammable situation that exists in southern Africa, because of the refusal of the racist South African regime to give up control of Namibia (South West Africa)," Mr Tull said.

South Africa launched its incursion into Angolan territory from Namibia, which it occupies illegally in defiance of international opinion.

The Barbados minister called for the immediate and total withdrawal of South African troops from Angola and said this should be supported by all freedom-loving nations. He said that Barbados felt that the matter should be dealt with by the United Nations. In the Security Council this week, the United States vetoed a resolution condemning the South African action. "It is unfortunate that a superpower which has the political and economic leverage to influence South Africa should have seen fit to veto such a resolution," Mr Tull declared.

He added: "South Africa's claim that it harbors no aggressive intentions against Angola is belied by the fact that its bombardment of civilian targets in southern Angola and raids carried out by its troops against villages have resulted in heavy loss of life and damage to property. Barbados' position is that this act of aggression must be dealt with through the provisions of the UN Charter, and joins in the call for mandatory sanctions against South Africa and for the payment of compensation by South Africa to Angola," Mr Tull said.

Barbados, he added, supported the sending of a commission to investigate the situation and report to the UN Security Council. "Barbados calls on all nations, especially the major powers of the world, to bring adequate pressure to bear on South Africa to force that country to relinquish its illegal occupation of Namibia, thus removing the likelihood of war in southern Africa," Mr Tull said.

CSO: 3025/1030

## NEWSPAPER CRITICIZES HIGH U.S. INTEREST RATES

PY161526 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Sep 81 p 3

[From the "Notes and Information" page: editorial: "The International Responsibility of the United States."]

[Excerpt] It was obvious that the president of the U.S. Federal Reserve--a U.S. institution equivalent to the Brazilian Central Bank--will not change his economic policy after noting the serious problems Brazil is confronting because of high U.S. interest rates. At the recent Ottawa summit, President Reagan stated--despite the harsh criticism issued by the other industrialized countries--that the United States will continue to enforce this policy until there is a significant or a permanent decrease in the U.S. inflation rate.

In the lecture he delivered in Brasilia in response to an invitation extended by the Central Bank, Paul Volcker, the president of the U.S. Federal Reserve, categorically stated: "Our objective is quite clear: to combat inflation by restricting credit. We will maintain our restrictive policy. I could not say, at this point for how long the U.S. interest rates will remain high. They will start declining only after our fiscal and monetary policy begins to produce lasting results." The lecturer did not make any allusion to the criticism he has been faced with. In his own country--even from the treasury secretary--for enforcing a policy that is leading the United States into a strong recession due to the incompatibility of a severe monetary policy with a budget deficit that forces the treasury to rely on the market and raise interest rates.

Brazilian Finance Minister Ernane Galveas expressed the Brazilian position on the U.S. economic policy by noting that Brazil loses \$500 million a year every time the United States increases its interest rates by 1 percent. He added that the loss is even greater since in addition to the fact that increases in U.S. interest rates result in a decline in international prices for commodities, there is an increase in interest rates (resulting from a decrease in activities) in other industrialized countries. He said, moreover, that the value of the dollar in relation to other currencies poses a difficulty for those Brazilian products that are exported to other industrialized countries. It can be estimated, therefore, that the high interest rates in the United States represent an additional expense of about \$5.5 billion in currency.

The president of the federal reserve has not challenged these facts and he regrets them. He believes, however, that a decrease in the U.S. inflation rate will have long-term advantageous effects on the world economy. It is interesting to note that Carlos Langoni, the Brazilian Central Bank president, was in an uncomfortable position during the dialogue between Paul Volcker and Ernane Galveas. As president of the Central Bank he was certainly envious of the independence exercised by the president of the federal reserve in relation to the executive branch, and he had to admit that this monetary control is absolutely necessary. He also had to note that despite this being a function of the Central Bank, the situation is different in the United States, which because of its currency it has to face certain international responsibilities that increased in 1971 when the U.S. Government--in violation of the Breton Woods agreements--imposed "the dollar standard" on the Western world but without accepting the burden of this international responsibility.

CSO: 3001/248

## EDITORIAL ON FOREIGN POLICY, ANTICOMMUNISM

PY161726 Rio de Janeiro JORNAL DO BRASIL in Portuguese 10 Sep 81 p 10

[Editorial: "Intolerant Practice"]

[Summary] Apparently the intelligence of some of the critics of the Figueiredo Government's foreign policy is not sufficient for them to understand that policy. A well thought out lecture like the one delivered by Foreign Minister Saraiva Guerreiro to the Superior War College [ESG] seems to have been unsuccessful in bringing light to a type of thinking vitiated by automatism.

"Let us just recall that if anticommunism did not ooze out of the text read by the foreign minister at the ESG, the reason does not lie in any mental reservation on the part of our foreign ministry, but on the fact that people with good taste do not usually keep repeating what is obvious. Because it is free of any inappropriate personal influences, our current foreign policy reflects the interests and general attitude of the government which pieces that policy together. Nobody should doubt that this government, by instinct and option, is opposed to communism. So Itamaraty takes that position as a premise to work from and sees no need to keep referring to it all the time--more so when professional diplomats erase from their language anything that smacks of opinion, subjectivity and emotionalism.

"It could not be otherwise, and it would be ignorance of the essence of diplomacy to believe that Brazil sympathizes with communism because it maintains trade relations with the Soviet Union." "The West is what it is because it has never allowed itself to concentrate on being just an anticommunist crusade. Playing such an antithesis--anticommunism versus communism--would directly lead to narrowmindedness. And narrowmindedness is not the hallmark which distinguishes the West from the gray communist universe."

Itamaraty has demonstrated that a well conducted foreign policy will never assist the Soviet Union. In Africa the practice of professional anticommunism or the simple polarization of ideas can become trumps of Soviet policy, because, whenever issues are reduced to such terms, the ghosts of the past favor the east bloc. The trauma of colonization in Africa hurts the West more than the East, for the simple reason that the latter has not yet imposed its colonization.

Soviet attempts at colonization have met with thundering failure in Egypt and the Sudan--as they did earlier in the PRC. And because the Soviet Union has acted

like a "superpower," it proved incapable of understanding the peculiarities and meeting the needs of the countries it has approached.

A policy without preconceptions such as the one Brazil practices can work into the gaps left by the confrontation between the two superpowers. Professional anti-communism is an outmoded practice which developing countries have known in the past, a practice which they never accepted because they could not see how it could benefit them.

"It would be difficult to demonstrate that the sophisticated and modern diplomacy of President Figueiredo is not in tune with Brazil's most legitimate interests, just as it would be difficult to demonstrate that the Figueiredo Government harbors secret sympathies for communism."

CSO: 3001/248



## MOZAMBICAN FOREIGN MINISTER MEETS SARAIVA GUERREIRO

PY160148 Brasilia Domestic Service in Portuguese 2200 GMT 15 Sep 81

[Text] Thanking him for the luncheon given by Mozambican foreign Affairs Minister Joaquim Chissano, Foreign Minister Saraiva Guerreiro today condemned any vertical relationship in international politics as well as automatic alignments, expressing his hope that Brazil and the African countries will be able to insure respect for their own sovereignty.

Guerreiro said that he expects that both Brazil and the African countries will present their own profile in foreign affairs, free of rigid alignments, political blocs and arbitrary hierarchies. He spoke of Brazil's policy toward Africa, stating that it draws inspiration from three sources, namely: the peaceful nature of the Brazilian people who reject violence and aggression; the sentiments Brazilians harbor for fraternal people, particularly for those who speak the same language; and the fact that Brazil is a Third World and Western country at the same time.

The luncheon was served at the Club of the Nations. Joaquim Chissano, Mozambique's foreign minister, replied by saying that his country not only seeks trade, but also mutual assistance for development in cultural, sociotechnical and technological fields. Speaking of Brazil, Chissano said that for many in his country Brazil was a dream for a mystery, and to others a hostile country. However, today we can say that Brazil and Mozambique can work together to build paradise here on earth.

Chissano then said that his trip was to complement negotiations initiated during Foreign Minister Saraiva Guerreiro's visit to Mozambique last year.

CSO: 3001/248

## SCRUBLANDS IRRIGATION PROJECT ANNOUNCED BY NETTO

Rio de Janeiro O GLOBO in Portuguese 20 Aug 81 p 23

[Text] Brasilia (O GLOBO)--The scrubland irrigation project announced by Minister of Planning Delfim Netto, under study by the Ministry of Agriculture, could produce 1.3 million tons of wheat in that region immediately, equalling the present production of Rio Grande do Sul, the state which produces the most wheat in Brazil.

For this it will be necessary to irrigate an area of 250,000 hectares. The ministers of agriculture and planning are already negotiating for loans with the IDB for the execution of that project, which in the first phase--4 years--seeks to irrigate a million hectares (that is 250,000 hectares per year).

Emphasis will be placed on wheat in this first phase--an imported product which weighs heavily on the balance of payments--rotated with corn, which will be sold on the foreign market.

According to technical studies, the scrublands in Brazil cover an area of 180 million hectares, of which 50 million are suitable for agricultural crops. Of these, 10 million hectares can be irrigated. The full use of this irrigable area would result in a production of 30 million tons of grain per year (60 percent of present Brazilian production).

At this time the scrubland region produces 7.5 million tons of grain, 1.2 million tons of meat and 300 million cubic meters of lumber.

The interest shown by the government in accelerating the occupation of the scrublands, according to Minister Delfim Netto, results from the fact that investments are smaller than in other sectors and the returns more rapid. At the same time, the country has the need to increase its exportable surpluses and to generate more employment.

8908

CSO: 3001/238

## SOYBEAN EXPORTS BRING REVENUE OF \$3 BILLION

Brasilia CORREIO BRAZILIENSE in Portuguese 14 Aug 81 p 7

[Text] Minister of Agriculture Amaury Stabile, speaking in Santa Rosa yesterday during the Fifth National Soybean Festival, pointed out the fact that Brazil is the third largest world producer and the second largest exporter of soybeans, product which provides almost 12 percent of our export revenues and which this year will occupy first place in sales among agricultural-livestock items, with an exchange revenue of around \$3 billion.

Stabile declared that the increase in soybean production, the driving force behind the process of modernization of Brazilian agriculture, is a reflection of the correctness of the choice made by President Joao Figueiredo, who gave priority to agriculture in his administration. He also pointed out that such growth shows that when the farmer is offered support and the conditions required so that he will have trust in the government guidelines, that same farmer knows how to produce and face possible adverse conditions in the market.

The minister of agriculture also said that in the past decade soybeans underwent an average annual increase of 20.6 percent in the area planted and 26 percent in the volume of production. In 1970 that crop occupied 1.3 million hectares and yielded a little more than \$70 million in foreign exchange for the country. Now, with Brazil as the second largest soybean exporter in the world, the product should yield nearly \$3 billion for the country.

The minister also pointed out that it is important for the Brazilian farmer to understand, however, that the irreversible priority given by President Joao Figueiredo to agriculture should be adapted to the present conditions of the Brazilian economy as a whole during the present process of adjustment, whose effects on the other sectors of activity are much more severe.

He said that within that context, the mobilization has begun for the planting of a third great harvest in the 81/82 agricultural year, "convinced that the national awareness is growing as to the advantages of investments being made in agriculture and livestock raising on the basis of a businesslike approach which takes into account the proper selection of land, seeks the support of research and technical aid, uses quality seeds, irrigates and uses the meadowlands where they exist."

Stabile averred that the government wants the farmer to make more money. He also emphasized that the country needs the rural businessman to increase his production even more and for this it is offering the greatest support on the basis of a constant dialog with the most representative leaders of the rural area, studying constant improvements in those instruments of support.

He pointed out the need for the rural producer to concern himself to the maximum with an increase in yield and the elimination of waste so that they can face and overcome the natural difficulties of a more difficult economic time.

8908

CSO: 3001

## CROP FINANCING INCREASED FOR THIS YEAR'S PLANTING

Brasilia CORREIO BRAZILIENSE in Portuguese 12 Aug 81 p 6

[Text] A special incentive is already being provided for the next agricultural harvest, the third under the Figueiredo administration: The National Monetary Council increased the basic amount of agricultural expenses by 126 percent. It will be on the basis of those amounts that almost all the main crops of the country will be financed.

The financing of agricultural expenses and sales are today the largest of the open accounts in the monetary budget. The principal lender, the Bank of Brazil, had a total of applications in agriculture and livestock raising at the end of March for no less than 660 billion cruzeiros, today already nearly 700 billion cruzeiros. The account for the expenses in agriculture on the basis of the basic amounts, which are established by the Monetary Council every year, that month reached 350 billion cruzeiros, thus becoming the largest of them all.

The basic amount of expenses, derived from floor prices, appeared formally in May 1979 at the beginning of the present federal administration. It was noted that the granting of financing on the exclusive basis of floor prices, as had been done up to then, concluded by causing some distortions.

In a note addressed to the National Monetary Council, the ministers of finance and agriculture showed that cases had been identified of products which demonstrated that not enough credit had been granted to the farmer within the parameters represented by the floor price. On the other hand, there were also cases in which financing, which was established on the basis of budgets prepared in an inflated manner, reached levels which were much higher than the real need for resources to pay for the costs of cultivating the intended crop. Moreover, problems of a technical order did not always allow the establishment and dissemination of floor prices with enough lead time for the timely release of credit, although this did not happen very often.

Based on that, the ministers proposed, it was necessary to create a new standard of reference which, in their words, should be "more in accordance with the actual spending on cultivation costs, discontinuing the linkage of those operations with floor prices." However, what would that pattern of reference be like?



In the first place, the criteria for the makeup of the financing basis was changed. No longer was the expected future price used to seek an indicator of the actual disbursement for cultivation costs per unit of cultivated area. That indicator from that time on was established on the basis of technical studies on that cost of production throughout the country, using a uniform methodology.

Annually, now, a master list of production costs is prepared, representative of the real costs to the farmer. In its preparation is considered, not only the cost of the land, but also the cost of labor, use of the land, the need for fertilizers, the cost of fuel, among several other variables.

Throughout the country, in a joint work with agencies of the Ministry of Agriculture, branches of the Bank of Brazil collect information on the real costs of production per hectare of all agricultural producers. In a subsequent phase, those figures are merged by region and the pertinent adjustments are made. That is what happened this year, for example, when an increase in the prices of fuel also led to a readjustment in the amounts of costs shortly before they were sent to the National Monetary Council.

That final commonsense work is prepared jointly by technicians of the Bank of Brazil, the Ministry of Finance, Ministry of Agriculture and the Secretariat of Planning of the Presidency of the Republic. Its preparation concluded, those agencies propose in a joint note the National Monetary Council, the costs observed in financing the costs of cultivation. That is how the basic amount of costs, known throughout the country as the VBC, is determined.

The master list which leads to it now considers the costs to the producer in the four main phases of the crop, from the preparation of the soil and planting, to cultivation operations and harvesting, disregarding only those costs considered as being those of sales and those of the presale phase. Therefore, the following items are considered: machine operations, including the costs of tractor drivers, fuels, lubrication and maintenance; seasonal labor, covering those operations that have to be done manually; draft animals, including feed and medicines; investments in such large-cost items as seeds, fertilizers and protective items [insecticides, pesticides, and so forth], and finally, fixed manpower costs with expenses for foremen or salaried administrators.

To those elements is added another variable, which assumes exceptional importance: yield. All products have their table for the VBC established in accordance with yield areas, with a number which varies for each of them. In the tables current for 1981-82, for example, corn has nine production belts, rice has four, soybeans and beans have five and so forth. The lower yield belts receive a VBC in cruzeiros which is also lower.

This will attend appropriately to farmers with different cultivation techniques. The most productive crops will receive greater financing, since they use more advanced techniques and use a great amount of modern equipment. In addition to establishing parameters of costs, however, the attempt is being made to attain another objective: increase agricultural productivity so that the grower can be better remunerated without prejudicing the consumer.

Taking into consideration the most common yield, the average increases in the VBC to be current for the next crops were: 128.6 percent for dry land rice; 128.1 percent for irrigated rice; 127 percent for soybeans; 121.9 percent for corn; 120.2 percent for beans; 133.3 percent for cotton; 114.1 percent for peanuts; 140.7 percent for sunflowers; 138 percent for castorbeans; 102 percent for manioc and 131.4 percent for cashews.

For associated crops, that is, the growing of more than one product in the same area, there is a special criterion. The amount of financing in those cases will be the sums of the VBC's for each crop planted together and taking the most common belt of yield. For example, if a farmer plants beans and corn together, it is natural that the yield of each crop by itself will fall somewhat, placing it in a lower strata of financing. Altogether, however, it will have its costs financed adequately.

Let it be said in passing that the VBC was not the only system of official incentives to productivity. The Bank of Brazil itself decided to institute another mechanism for this purpose: to give to the agencies, which are members of the Brazilian System for Technical Aid and Rural Extension, more attractive conditions than those in existence by allowing an increase of one percent gross above the amount actually used in financing of crops raised under technical orientation.

A requirement will be--in addition to bimonthly visits by technicians to those financed fields--that the expected yield for the undertaking being financed be equal or greater than the overall regional yield (without counting in the years of crop failures) and higher than the highest already obtained previously by the borrower. With that type of incentive--which carries with it no additional onus for the farmer--the Bank of Brazil seeks to change the aspect of the technical assistance given in the traditional form, linking it to the results obtained.

It was on the basis of methods such as those that a record harvest was recorded in 1980, showing the reaction by farmers to government incentives such as the VBC, floor prices and complementary measures such as premiums for productivity. The grain harvest of 1978-79 registered 40,605,000 tons collected; for 1979-80, this production increased to 50,579,000 tons. Rice in that harvest, for example, reached 9.8 million tons, an increase of 28.5 percent over the amount reached in the 1978-1979 harvest. That was due not only to an increase in the area planted--6.2 million hectares (an increase of 14.1 percent)--but to an increase in yield.

That increase in yield was also shown in other products such as corn. With an increase of only 3 percent in the area planted, that harvest reached a record 20,212,000 tons, higher by a fourth than that harvested the year before. Similarly, soybeans increased in yield. A harvest of 14,887,000 tons was collected, an increase of 48 percent by comparison with 1979. That percentage in itself should not have its importance stressed too much since the 1979 harvest was considered small. The harvest last year, however, was a record, beating the 1977 production, the largest up to that time, by 21 percent.

To provide incentives for those two crops, the increase in credit granted to them was substantial. In rice alone the Bank of Brazil lent out 38.7 billion cruzeiros, 121 percent more than in the previous year. The largest amount lent, however, was in incentives to corn, reaching 154 percent more. Together, corn and soybeans received 64 billion cruzeiros in loans

Agricultural Harvests (in 1,000's of tons)

Products	78/79	79/80	80/81
Peanuts	462.3	524.6	355.4
Rice	7,574.9	9,637.7	9,544.5
Oats	66.1	75.5	75.5
Rye	16.9	10.6	40.6
Barley	102.0	85.0	85.0
Beans	2,279.5	1,895.2	2,454.4
Sunflowers	8.2	23.4	121.5
Castor beans	368.8	302.3	346.8
Corn	16,457.0	20,212.5	23,414.0
Soybeans	10,200.0	14,887.4	15,729.0
Sorghum	228.4	182.3	270.0
Wheat	2,841.0	2,742.7	2,400.0
TOTALS	40,605.1	50,579.2	54,836.7

The importance of the VBC's can be observed in the incentives to the various products. An example is beans. It is a product very susceptible to climactic problems; it actually suffered a crop failure in the 1979-1980 crop. However, the incentives granted to its cultivation prevented the failure from prejudicing supplies significantly. The 11 billion cruzeiros lent by the Bank of Brazil to finance plantings, guaranteed a relatively high production, barely 15 percent lower than that of the previous year.

A still greater ratio of financing was guarantee this year with an upward adjustment of the VBC. It was precisely because of that--the amount of loans for beans by the Bank of Brazil on 31 March 1981 stood at 22,509,000 cruzeiros [as published] on 31 March 1981--the first forecasts on the present bean crop created a climate of optimism in the specialized agencies of the government.

There were actually some crop failures, such as the one that took place in Irece in Bahia. Despite that, production is exceeding the forecast of 2.4 million tons, to which will be added another 300,000 tons from the winter crop. In addition to the area cultivated in the states of the Center-South, there were increases in yield. Therefore, Brazil, after several years, will be able to stop importing beans to attend to the domestic demand.

Crop Loans--(Main Crops)

Crop	Amounts in millions of cruzeiros	Percentage of total		Variation in percentage	
		March 80	March 81	in 12 mos	in 3 mos
Cotton	26,591	7.0	8.0	106.0	49.0
Rice	43,568	11.3	13.1	108.5	14.6
Cocoa	5,889	1.6	1.8	94.4	6.4
Coffee	68,822	19.9	20.7	87.6	10.2
Sugarcane	37,796	9.9	11.4	107.5	24.0
Beans	22,509	4.5	6.8	171.9	107.7
Tobacco	1,711	0.9	0.5	2.6	34.7
Manioc	9,208	1.8	2.8	176.4	13.5
Corn	27,620	5.6	8.3	168.1	11.9
Soybeans	45,627	15.1	13.7	64.5	23.6
Wheat	2,651	12.9	0.8	-88.8	-78.6
Others	40,245	9.5	12.1	130.5	14.4
TOTAL	332,237	100.0	100.0	80.4	16.5

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## BRIEFS

STEEL PRODUCTION--Rio de Janeiro, 12 Sep (AFP)--The Brazilian Iron and Steel Institute today reported that during the first 8 months of this year Brazil produced 9,155,000 tons of steel which represents a 10.5 percent decline compared to last year's production in the same period. [PY Paris AFP in Spanish 1112 GMT 12 Sep 81]

NAVY OPERATIONS COMMANDER DIES--Adm Newton Braga de Faria, commander of naval operations and director general of navigation of the navy, will be buried today in Rio de Janeiro. He died of a heart attack while at work in his office. [PY Sao Paulo Radio Bandeirantes in Portuguese 1600 GMT 16 Sep 81]

GENERALS RETIRE--President Joao Figueiredo has signed a decree pensioning generals who have reached statutory age limits. These officers are Maj Gen Emmanuel Pedrosa, Maj Gen Henrique Fernando Fritz, Brig Gen Candido Leite Villas Boas, Brig Gen Carlos Camuyrano, Brig Gen Carlos Paes Leme Cangucu, Brig Gen Jose de Jesus Lopes, Brig Gen Jose Octaviano da Silva, Brig Gen Mercio Caldas, Brig Gen Moacyr de Oliveira Duarte, Brig Gen Oldemar Domingues dos Santos, and Brig Gen Ruyter Demaria Boiteux. [PY Paulo O Estado de Sao Paulo in Portuguese 29 Aug 81 p 5]

NEW OIL FIELD--The Petrobras has discovered another oil field, the Bicudo, in Campos Basin. The new oil field holds reserves estimated at between 100 and 120 million barrels, which stands for approximately 7 percent of Brazil's overall oil reserves estimated at 1.3 billion barrels. [Rio de Janeiro JORNAL DO BRASIL in Portuguese 9 Sep 81 p 1]

MILITARY MATERIEL TRADING COMPANY--Brasilia--Brazilian Ordnance Industry (IMBEL) chairman, Gen Arnado Calderari yesterday announced that the Foreign Trade Company (CODECE) [Companhia de Comercio Exterior] is being created to handle exports of military materiel and related technology. General Calderari said that the new trading company will operate in areas where there is receptivity toward conventional materiel such as light weaponry, ammunition and supplies, namely Latin America, the Middle East and Africa. IMBEL plans to channel all its foreign sales through the new trading company. [PY Rio de Janeiro JORNAL DO BRASIL in Portuguese 24 Aug 81 p 12]

IRON TO SAUDI ARABIA--Brasilia, 23 Jun (AFP)--Brazil today signed a contract to supply Saudi Arabia with 1 million tons of iron pellets valued at \$50 million. The contract was signed between the Saudi Iron and Steel Company and the Rio Doce Valley Company. The iron will be used at the Al Jubail Iron and Steel compile which will begin operating in 18 months. Shipments will begin in 1982. [PY Paris AFP in Spanish 1823 GMT 23 Jun 81]



## HUNGARIAN PAPER INTERVIEWS CHILEAN CP MEMBER

LD112322 Budapest MTI in English 1055 GMT 11 Sep 81

[Text] Budapest, 11 Sep (MTI)--NEPSZABADSAG correspondent in Havana has interviewed Volodia Teitelboim, member of the Chilean Communist Party Central Committee, about the characteristic features of the Chilean [word indistinct] and the tasks of the democratic forces. The Friday issue of NEPSZABADSAG covers the interview.

"A year has passed since the self-approval of the Pinochet-constitution. A small circle of the regime's supporters and some members of the bourgeois opposition thought at that time that Chile would set off the way of bourgeois-democratic evolution. We, the left wing, have never agreed with this opinion. Unfortunately, our stand has been proved: the possibilities of a progressive change are unknown for fascism," pointed out Teitelboim.

Then we emphasized that "the Reagan Administration speaks highly about the Chilean model and Pinochet.... Chile has become the ideal example for Latin America. It is not by change: it unconditionally submits itself to Washington's military-strategic plans and gives a way to U.S. monopolies.

"Pinochet loftily says that Washington 'conforms to him.' At the time of the coup, on behalf of the 'conquerors,' Pinochet promised six months to be enough for the pacification of Chile. However, 16 times six months were not enough to manage it. Violence is more merciless now, than it was in the beginning. Thirty thousand Chileans were murdered during eight years, and new dead bodies show every day the unchanged character of fascism," stressed Teitelboim.

"But a country, a nation cannot live locked from freedom for ever. We know that fascism will not give up power. Though conditions of changes are unripe, we are gathering our strength. A day does not pass in Chile without a fighting action. Discontent increases day by day, unemployment is growing and workers' living standard is down by 50 percent compared to what it was under the Allende Government.

"All forms of the fight against fascism have gained ground, including political and economic (?strikes), mass mobilization as well as armed actions. Success against the dictatorship can only be achieved by united actions, not by the activity of a small but heroic group. That is why we attach great importance to unity in this long and laborious struggle," said the Chilean communist leader.

"The unity of the Chilean left wing, as it is known, has suffered from a serious crisis. It is partly reasonable, as fascism desimated it and tens of thousands were forced to leave their homeland. However, the popular unity still exists. Moreover, eight Chilean progressive parties held a meeting abroad last year, and they will meet again soon to survey the measures to be taken in the new situation. Otherwise, our opinion is that the popular unity, which was not wide enough in its original form against right wing is not an overall alliance even now to overthrow fascism. We think that present conditions offer the formation of a wider anti-fascist unity. Consequently, our stand is based on two elements: the Chilean Christian Democratic Party should also play a part in the struggle for the reinstitution of democracy, and the wide-range unity should be led by the left wing," emphasized Volodia Teitelboim in the interview.

CSO: 3020/155

## BRIEFS

**EXTREMISTS' RELATIVE BANISHED--Concepcion--**Eduardo Acosta Hernandez, brother-in-law of extremist Lisandro Sandoval Torres, killed in a clash with security forces at the end of August, and of Juan Sandoval Torres, currently at the Concepcion jail charged with political activities, has been banished to Alto del Carmen. It has been reported that Acosta Hernandez was arrested on 27 August after leaving the Concepcion jail where he had gone to pay his condolences to his brother-in-law. When searched he was found to be in possession of a political leaflet. His banishment has been ordered by the interior ministry. [Summary] [PY152040 Santiago Chile El Mercurio in Spanish 3 Sep 81 p C7]

**DEAD TERRORIST IDENTIFIED--**The dead man who was found last Sunday in front of Pudahuel's (Cristo de Emaus) church has been identified as (Juan Jara Munoz), 35. Reportedly he was in agony for 30 days after being wounded by Carabineros corporal (Pedro Nelson Cubillo), who shot him in self-defense. (Cubillo) was posted in front of the house of court of appeals justice (Efren Araya) when he was attacked by a group from a passing bus. [Excerpt] [PY151846 Santiago Chile Domestic Service in Spanish 1100 GMT 15 Sep 81]

**AGITATOR UNDER ARREST--Copiapo--**Pedro Miguel Sepulveda has been arrested by Carabineros while distributing propaganda calling for strikes in the Llanta Mining District, and placed at the disposal of the zonal officer charged with enforcing the state of emergency. [PY Santiago Chile El Mercurio in Spanish 29 Jul 81 p C3]

**INDUSTRIAL PRODUCTION--**Sergio Chaparro, director of the National Statistics Institute has reported that Chilean industrial production has increased 5.2 percent during the first half of 1981. [PY Santiago Chile El Mercurio in Spanish 3 Sep 81 p C1]

**CHILEAN-ASSEMBLED PLANES' FLIGHT--**The first military planes assembled in Chile have made their initial flights successfully. The planes are the Chilean-designed (PIYAN) and the 101 fighter, a Spanish jet trainer. The test flight took place at the (Capitan Avalos) air force school and was observed by Chilean air force commander in Chief Brig Gen Fernando Matthei, by Spanish air force chief of staff Lt Gen (Emiliano Alfaro) and by Spanish Ambassador Salvador Bermudez. The (CASA) jet trainer was built by the Chilean and Spanish air forces and fully assembled in Chile. The (PIYAN) plane was built with the cooperation of U.S. technicians. It has also been fully assembled in Chile. [Excerpt] [PY Santiago Chile Domestic Service in Spanish 1100 GMT 16 Sep 81]

JAPANESE DEPUTY VISITS--Japanese liberal democrat deputy (Kishisho Osawa) has arrived in Chile. He is the head of a delegation made up of eight legislators who are touring Latin America. The visitor said that the rest of the delegation will arrive today in Santiago. He has also said that the visit is aimed at gaining an insight into the actual Chilean situation. [PY Santiago Chile Domestic Service in Spanish 1100 GMT 15 Sep 81]

CSO: 3010/1825

## BRIEFS

**CASTRO ON BELIZE INDEPENDENCE**--On the occasion of the upcoming proclamation of Belize's independence, the chairman of the nonaligned countries movement, Fidel Castro, has sent a message to the chiefs of state and government of nations belonging to that institution. The message states: The nonaligned countries movement, a loyal and active fighter for the elimination of colonialism and neo-colonialism, today feels very proud and satisfied with Belize's imminent emergence into independent life next 21 September, when its independence will be proclaimed during the 36th period of sessions of the United Nations. During all these years, the intense activity of the nonaligned countries movement in favor of decolonization and, especially, in the Caribbean area, has played a relevant role through an effective solidarity which has contributed in a very important way to this historic and just cause of the Belizean people, the message adds. It goes on to say: Belize was admitted into the nonaligned countries movement as a member with special status during the fifth conference of chiefs of state or government held in Colombo. The movement has stated and reiterated consistently in all its declaration Belize's inalienable right to self-determination, independence and territorial integrity, warning against the denunciations and foreign threats to which it has been subjected during the entire process. The message concludes with this exhortation: Taking into consideration the foregoing, I appeal to all nonaligned countries to offer their rapid recognition of the new state of Belize. [Text] [FL121129 Havana Domestic Service in Spanish 1000 GMT 12 Sep 81]

**MEXICAN GOVERNOR VISITS**--Pedro Joaquin (Codwell), governor of the Mexican state of Quintana Roo, is visiting Pinar Del Rio in the company of Osmani Cienfuegos, member of the PCC Politburo. The high-powered Mexican delegation visited the new hospital under construction in San Cristobal and the national superhighway along with Jaime Crombet and Jose Lopez Moreno, first party secretary in Pinar and minister of construction, respectively. [Havana Domestic Service in Spanish 1807 GMT [no date Sep 81 FL]

**INDIAN, CANADIAN ENVOYS**--Comrade Carlos Rafael Rodriguez, vice president of the Council of State, this morning received Vino Kumar Chand Narain Khanna, who presented his credentials as ambassador of the Republic of India. Comrade Carlos Rafael Rodriguez also received James Karl Bartleman this morning. Mr Bartleman presented his credentials as ambassador of Canada. Comrade Isidoro Malmierca, minister of foreign relations of Cuba, took part in both ceremonies. [Havana Domestic Television Service in Spanish 0000 GMT 1 Sep 81 FL]

SOLIDARITY WITH SWAPO--A ceremony to commemorate the 15th anniversary of the beginning of the armed struggle of the South West African People's Organization [SWAPO] was held at the Maximo Gomez electric plant in Mariel. The second secretary of the Communist Party of Cuba for the Havana Province reiterated the solidarity of the revolutionary people of the world with SWAPO. [PA141649 Havana International Service in Spanish 1600 GMT 9 Sep 81 PA]

NEW RADIO STATION--Telecommunications technicians of the Cuban Institute of Radio and Television are working on the final details for the dedication--on 10 October--of Radio Sandino in the municipality of Sandino, Pinar Del Rio Province. Radio Sandino, which will be the third radio station in the area, will have a 0.5 kw power and will be audible at Mantua, Guane and Sandino. It will broadcast its own programs 8 hours daily and the rest of the day it will join Radio Pinar musical network. Its broadcasts will be primarily directed to young students of three teams stationed in Sandino. Its dedication will mark the 113th anniversary of the beginning of our struggle for independence. The announcement was made during a ceremony held by provincial party and government officials to honor the Pinar Del Rio press workers on the occasion of the international day of the journalist. [Text] [FL091935 Havana Domestic Service in Spanish 1829 GMT 9 Sep 81 FL]

CSO: 3010/1830



## BRIEFS

U.S. MEDDLING--Bridgetown, Barbados 3 Sep (CANA)--A leading academic here, Dr Neville Linton, today urged regional governments to speak out against U.S. "interference" in the area, if they truly wish to see the Caribbean remain as close as possible to a zone of peace. In an article in the Barbados NATION newspaper, the University of the West Indies (UWI) lecturer accused the Reagan administration of trying to undermine the Maurice Bishop government in Grenada, while, at the same time, supporting "dictatorial, oppressive, murderous" regimes in El Salvador and Guatemala by giving them a wide range of economic and military assistance. "None of these terms can be seriously applied to the Bishop regime," he said, "while it is constitutionally nondemocratic (it came to power in a 1979 coup), arbitrary, and holding power through force of arms, it is also a government which has instituted a series of imaginative social and economic programs which demonstrates a consistent concern for the welfare and development of the people." Dr Linton's comments followed recent U.S. military maneuvers in the Caribbean on Grenada allegations that the exercises constituted a practice run for an American invasion of the leftist-ruled island. Dr Linton said that if the people's revolutionary government were to be overthrown tomorrow, it would undoubtedly be with U.S. assistance. He called on Caribbean governments to ask themselves seriously whether they wished the region to move into American hands. "If not, the time for solidarity and a firm stand on regional security vis-a-vis Washington is now," the scholar warned. He added that though Grenada may be somewhat exaggerating its dangers, there was a need for some concern about U.S. policing of the region under the present Reagan administration. [Text] [FL031900 Bridgetown CANA in English 1839 GMT 3 Sep 81]

MESSAGE TO DPRK PRESIDENT--St Georges, Grenada, 13 Sep (CANA)--Grenada's Prime Minister Maurice Bishop has sent a congratulatory message to President Kim Il-song of North Korea on the occasion of his country's 33d anniversary of independence. The message expressed Grenada's full support for the people of North Korea in their struggle against "imperialist aggression" and for their continuing efforts towards reunification with South Korea. It also wished that the friendly relations which exist between Grenada and North Korea would develop to the benefit of the peoples of the two countries. Grenada established diplomatic relations with North Korea at ambassadorial level in 1979. [Text] [FL141455 Bridgetown CANA in English 1750 GMT 13 Sep 81]

CSO: 3025/1030

## BURNHAM CALLS FOR END TO U.S. INTERFERENCE

FL311532 Bridgetown CANA in English 1733 GMT 30 Aug 81

[Report by Edwin Ali]

[Text] Georgetown, Guyana, 30 Aug (CANA)--President Forbes Burnham charged last night that the United States wanted Guyana to denationalize a number of industries and to end the republic's socialist thrust.

Mr Burnham spoke at a mass rally to mark the end of the fourth biennial delegates congress of his ruling People's National Congress (PNC).

He was giving what he said were the reasons for the U.S. decision to veto a 20-million-dollar U.S. loan from the IDB for Guyana's agricultural sector.

"They want us, comrades, to take GUYMINE and hand it back to Alcan and Reynolds," he said. (GUYMINE is the government-run agency responsible for the nationalized bauxite/alumina industry formerly owned by the American companies Alcan and Reynolds.)

Mr Burnham said: "They want us, comrades, to have another colony like we once were, at MacKenize (now the bauxite center renamed Linden). They want us to hand over the industries which we have taken over. We did not take those industries without compensation accepted by and acceptable to both sides.

"They want us to hand over to the private sector the Guyana Rice Board. They would have us hand back sugar to whom I do not know, because (former British owners) Lord Campbell of Eskan and his friends no longer want sugar: they're writing books now.... They want us basically to denationalize our industries, they want us to change direction, they want us to end the socialist thrust.

Outgoing U.S. ambassador to Guyana, George Roberts, at a news conference last week, denied allegations here that the blocking of the loan was done in collusion with Venezuela, which is claiming 5/8's of Guyana.

Roberts said the reasons for the U.S. decision were in fact economic and that Washington had since made provisions for Guyana to benefit from additional U.S. funds in the Caribbean Development Bank.

But President Burnham told the thousands at the rally that he saw no reason why the United States "should have gone to that trouble."

They have the blocking vote and all they needed to say was "we have got enough money in this bank to say whether you get the loan or not."

"All right, it is their money. But to insult our intellect. Do they think that we are as stupid as we are black, comrades. That was the major consideration of the congress. A combination of the hostility of Venezuela and the technical reasons of the United States of America," Mr Burnham said.

President Burnham said the withholding of the loan will cause some problems for the Guyana sugar industry and the rehabilitation of the rice sector.

He contended that Guyana's struggle "to be independent is likened to the struggle with other people in other parts of the world to be independent, whether they be in Angola, Libya or Grenada.

"We are part of a world fraternity, that fraternity which does not seek to rule, but...which insists on its members being able to pursue their own paths of development, to apply their own carefully considered philosophy and ideology. This is all that we ask."

President Burnham asked that Guyana be left alone, pointing out that its territory was not used as a hostile base against any country.

"Leave us alone for Christ's sake. Did we thief your fowl cock or did we kill a priest. We stepped on no one's corn. We did not steal the resources which we nationalized. We have not made Guyana a hostile base against any country in the hemisphere or close by, unless to believe in socialism and to pursue it with fervor and determination is to be a hostile base. Who made you the arbiters of mankind?"

Earlier President Burnham said there were conspirators against Guyana and that the forces of counterrevolution were working.

He said there was an attempt to chop up the country and he urged Guyanese to exercise the determination to fight these attempts.

CSO: 3025/1030

## BURNHAM CALLS FOR TALKS WITH VENEZUELA ON CLAIM

FL311625 Bridgetown CANA in English 2117 GMT 31 Aug 81

[Report by Edwin Ali]

[Text] Georgetown, Guyana, 30 Aug (CANA)--President Forbes Burnham has said Guyana is not interested in military or physical confrontation with Venezuela, which is claiming 5/8's of Guyana's territory, but is prepared to enter into or to continue dialogue with its neighbor aimed at resolving the claim.

Mr Burnham was speaking on Saturday at a rally to mark the end of the fourth biennial congress of the ruling People's National Congress (PNC).

Mr Burnham dealt at length with talks which he had with his Venezuelan counterpart in Caracas and the subsequent statement by the Venezuelan president that that country would not renew the protocol of Port-of-Spain which has shelved their claim for 12 years.

Mr Burnham called for the mobilization of the Guyanese people for defense in the relevant services and for the deployment of some of the nation's forces at strategic points of the country.

He said Guyanese will have to make more sacrifices and curtail some of the consumer goods which are still imported.

The president referred to Venezuela's purchase of some F-16 planes--"the same type of birds that were used to bomb the reactor site in Baghdad."

He also said a letter was sent to the World Bank urging that institution not to be part of any arrangement to finance or to help finance the upper Mazaruni hydropower scheme.

Mr Burnham told of the visit to Guyana by Venezuela's former President Sr Carlos Andres Perez and said the then-Venezuelan leader discussed the building of a hydropower complex and the possibility of Guyana selling power to Venezuela.

On the U.S. Government's vetoing of a 20-million-dollar (U.S.) loan to Guyana and the Venezuelan claim he said "they are both after the same thing...the destruction of Guyana and the humiliation of the Cooperative Republic of Guyana."

He described as "hogwash and poppycock," the technical reasons which the United States advanced for blocking the loan.

Mr Burnham added: "The term technical reason was used to hide political and ideological reason, because the United States does not see any movement on our part.

"What movement do they want? The United States has its own ideology and philosophy. We do not criticize that ideology and we do not criticize that philosophy. For we hold that it is their right to choose their path of development. It is their human and national right to hold the ideology which they want."

He declared: "We are not told that every country has the right to seek its own path or development." [sentence as received]

The president charged that the United States wanted Guyana to change its ideological course and alter its direction.

President Burnham said Guyana must prepare to defend itself and also decide that the country must be willing to enter into or continue dialogue with the Venezuelans.

"We are not warlike, we don't want a war, though we know that Venezuela cannot beat us in this world..."

"What we are faced with today, what Venezuela poses to us today is a destruction and a dismembering of Guyana. Take away Essequibo, you take away where all our gold and diamonds are, where our oil is, our uranium is. Take away Essequibo in fact, and you take away the basic resources of Guyana," the president said.

CSO: 3025/1030



## BRIEFS

ROMANIAN PARTY DELEGATE--Georgetown, 31 Aug (AGERPRES)--Linden Forbes Burnham, leader of the People's National Congress [PNC], president of the Cooperative Republic of Guyana, received Ambassador Marin Argint, RCP representative to the fourth PNC congress. During the talk, reference was made to the political, economic and cultural relations between the Socialist Republic of Romania and the Cooperative Republic of Guyana, the wish being manifest to develop them on all planes. [Text] [AU312006 Bucharest AGERPRES in English 1825 GMT 31 Aug 81]

BELGRADE YOUTH MEETING--Georgetown, Guyana 5 Sep (CANA)--Executive member of the Young Socialist Movement, Leroy Scotland, has left for Belgrade, to attend a 5-day international youth and students conference which is underway. The conference will examine the role in youth and students and other organizations in politics. Mr Scotland will present two papers, one on "The Venezuelan claim to Guyana" and the other on "the role of youth and students in Guyana and Latin America." Venezuela is claiming 5/8's of Guyana under a long-standing territorial dispute. [Text] [FL051412 Bridgetown CANA in English 0915 GMT 5 Sep 81 FL]

GOVERNMENT MAPPING SURVEY--Georgetown, Guyana 5 Sep (CANA)--The Guyana Government and British firm, B.K.S. Surveys, are conducting a mapping survey here with the help of a specially-designed Piper Navajo aircraft which takes aerial photographs. The survey, budgeted at 200,000 dollars (1 Guyana dollar : 30 cents U.S.) is aimed at upgrading the country's maps. It could be completed in another 10 to 12 weeks' time. [Text] [Bridgetown CANA in English 0912 GMT 5 Sep 81 FL]

CUBAN TROOPS--Georgetown, 15 Sep (AFP)--Guyanese President Forbes Burnham has flatly denied that there are Cuban troops in Guyana, as reports from Venezuela have said, a presidential spokesman has announced. Burnham emphasized that "there are definitely no Cuban troops here; there never have been any Cuban troops here; and there is no reason for there to be any Cuban troops here." Venezuelan newspapers and radios had broadcast the reports denied by Burnham. [Text] [PA151554 Paris AFP in Spanish 1516 GMT 15 Sep 81]

CSO: 3025/1030



## PNP URGES CHANGE IN REAGAN POLICY ON ANGOLA

FL031750 Bridgetown CANA in English 1537 GMT 3 Sep 81

[Text] Kingston, Jamaica, 3 Sep (CANA)--The opposition People's National Party (PNP) here has called on the Jamaica Government to use its "good relations and influence with the Reagan administration to help change U.S. policy in Black Africa.

The PNP's call came in a statement here in which the party condemned the U.S. veto of a UN Security Council resolution condemning South Africa's incursion into Angola last week, and calling for an immediate withdrawal of Pretoria's troops and for restitution.

The United States was the only country opposing the resolution, causing a split in the ranks of the Western nations on the South Africa/Namibia/Angola issue. Angola is one of the frontline African states bordering South Africa attempting to secure Namibian independence.

The PNP commended France's support for the resolution. The party's statement said the United States had used its veto power to block measures aimed at "countering the aggression of the racist South Africans against Black Africans."

South Africa claimed that it went into Angola for an operation against guerrillas of the South-West African People's Organization (SWAPO)--the recognized representative of the people of Namibia, the vast mineral-rich country that South Africa continues to hold in defiance of the United Nations.

However, Angola and SWAPO have said that there were no guerrillas in the areas the South African attacked, the only Namibian presence being refugees.

In its statement the PNP said that the Jamaican Government should act in a manner consistent with its condemnation of the South African invasion and should therefore attempt to persuade a change in Reagan's African policy.

Silence by the government on this issue, the party said, "will serve to confirm the view that the Seaga government is impotent as a result of its dependence on U.S. economic and political support for its survival."

CSO: 3025/1030

## BRIEFS

AFRICAN DISPUTE--Kingston, Jamaica, 3 Sep (CANA)--The Jamaican DAILY NEWS today described as "callous" this week's U.S. veto of a UN Security Council resolution condemning South Africa for its invasion of Angola. The paper predicted the eruption of a Vietnam-style "limited war," with the U.S. supporting South Africa and the Soviet Union and Cuba backing Angola. The DAILY NEWS editorial said that the U.S. argument that the resolution blamed only South Africa was, to it, "an extremely weak excuse aimed at covering the unprincipled economic relationship which that country United States continues with South Africa, despite UN dictates." The real danger of the U.S. callous act," the DAILY NEWS said, was that Angola, having been refused collective international support, would now be forced "to seek the assistance of individual nations to repel the racist onslaught." It added: "In any event, we are fairly certain that a 'limited war' of the Vietnam kind will ensue with the United States increasing its military support to South Africa (even to the extent of sending troops), while the Soviet Union and Cuba will provide the main backing for Angola." The old argument of "protecting the people from the threat of communism" would again be raised to cloud the issue, the paper said. [Text] [FL031645 Bridgetown CANA in English 1631 GMT 3 Sep 81]

U.S., UK POLICIES--Kingston, Jamaica, 1 Sep (CANA)--The Jamaica DAILY NEWS today lashed the monetarist policies being pursued by the U.S. and British governments and warned of the possibility of state force being used to contain protests by citizens who would suffer falling standards of living. Along with the diminishing living standards in the two countries, the paper said, the Reagan administration's and the Margaret Thatcher government's chances of affecting recovery appeared slim. "Thatcher has spoken only in generalities about such hope, while Reagan has conceded that improvement is unlikely in his first term of office," the DAILY NEWS said. It said that the consequences of the hardline programs could open "the door for the use of police and military force against sections of the populations which oppose these policies." Said the DAILY NEWS: "Already Thatcher is moving towards increasing police powers while Reagan's neutron bomb decision seems to be aimed at as much as distracting attention from internal difficulties, as the new bogey--international terrorism." It said that if steps were not taken to deal "in a practical and rational way" with the problems being created, then increasingly legal, first, and then illegal force would be used to keep the people quiet. [Text] [Bridgetown CANA in English [no time given] 1 Sep 81 FL]

AGRARIAN REFORM LAW PUBLISHED

PA062147 Managua EL NUEVO DIARIO in Spanish 25 Aug 81 pp 6, 7

[Text] Agrarian Reform Law

Chapter 1

Article 1. The following law guarantees the ownership of land to all those who work it in a productive and efficient manner.

Article 2. The following land is hereby declared affected by the agrarian reform:

A. Fallow land or land that is not being properly exploited by natural or legal persons who own more than 500 manzanas in Zone A and more than 1,000 manzanas in Zone B;

B. The lands that on this laws' date of issuance are leased or encumbered under any other arrangement, and whose owners own more than 500 manzanas in Zone A and more than 1,000 manzanas in Zone B;

C. Other land that on this laws' date of issuance is not being worked directly by its owners but by peasants through half-partnership [medieria], partnership by parcels, [aparceria], tenant ownership [colonato], or as squatters, or other similar forms of peasant exploitation, as well as through cooperatives or other forms of association. The only exceptions are those cases in which the owner of the land owns less than 50 manzanas in the departments of Chinandega, Leon, Managua, Masaya, Carazo, Granada, and Rivas or less than 100 manzanas in the rest of the country;

D. Land that has been abandoned.

Article 3. In the enforcement of this law, the maximum amount of 500 or 1,000 manzanas will be estimated by adding the area of all of the properties owned by a given natural or legal person, although these may be situated in different geographic locations.

Article 4. The rural farms that have been transferred by any title between spouses, or between spouses and their children and/or their brothers and sisters who are currently dependents are hereby considered to belong to the same natural person.

Article 5. For the effects of this law, Zone A includes the following departments: Managua, Masaya, Carazo, Granada, Rivas, Chinandega, Leon, Matagalpa and Jinotega. Zone B is all of the area in the other departments of the country. In the event that an owner has land in various zones, the maximum established for Zone A will be enforced.

Article 6. For the implementation of Article 2, the following is established:

A. Fallow land: Land that, although suitable for agriculture or cattle-raising purposes, has remained idle during the last 2 consecutive years;

B. Land exploited in a deficient manner:

1) A parcel of land whose area devoted to permanent crops, natural or artificial pastures or seasonal crops is less than 75 percent of the total surface suitable for agriculture or cattle raising. The area specifically devoted to forestry exploitation or reserves will not be taken into consideration when determining total surface;

2) Cattle farms that have less than one steer per two manzanas in Zone A, and those having less than one steer per three manzanas in Zone B;

3) Those areas in which the soil, water and other natural resources are exploited inadequately;

C. Land that has been abandoned: 1) land with perennial crops where the indispensable chores to maintain those crops are not being completed; 2) farming land or annual crops that for two successive cycles has not been prepared in due time or where such preparatory care has been interrupted; 3) cattle land that has deteriorated for lack of maintenance of fences and pasture grounds, or because of a considerable reduction in its herd; 4) land whose equipment and machinery cannot properly perform farming chores due to lack of maintenance or of replacements. Those cases in which the situations described above are not attributable to the owners are excluded.

Article 7. The effect includes all possessions related to the affected land, whether chattel, real estate or any other type. Cases of partial effect may be considered when, in the opinion of the Ministry of Agricultural Development and Agrarian Reform, there exists sufficient reason to merit it. Efforts shall be made, however, to avoid dismembering productive units.

## Chapter II

On the administration and assignment of the land and other assets affected by the agrarian reform:

Article 8. The land and other assets affected by the agrarian reform shall be administered by the Ministry of Agricultural Development and Agrarian Reform until they are assigned. In addition to the land declared affected for the application of this law, any other land that may become or becomes the property of the state through other means, as well as national and common land (ejidales), shall also be subject to assignment.

Article 9. According to the plans and priorities established for the zone in which they may be located, the land and other assets declared affected by the agrarian reform and others set forth in Article 8 shall be assigned:

A. To peasants and half-partners [medieros], parcel partners [aparceros], land tenants [colonos] and squatters [precaristas], or to the cooperatives and other forms of production associations active at the time the land is declared affected. Allocation in these cases may be made on the same land or on land of better quality, always striving for bloc integration in order to facilitate the creation of associated forms of production.

B. To other peasants with no land, insufficient land or land of poor quality, who are dependent on farming activities and who may organize in cooperatives in order to be assigned land, and to cooperatives already organized that do not have sufficient land or have land of poor quality.

C. To individual producers or family units who may guarantee the efficient use of the land. In this case, as well as in the cases mentioned in the previous paragraph, priority shall be given to those who fought in our war of liberation and to the relatives of heroes and martyrs, with the intent of establishing associated forms of production.

D. To agrarian reform entities already established on in the process of being constituted.

Article 10. The area assigned in the cases mentioned in paragraphs 1, 2 and 3 of the previous article shall be of sufficient size to assure the beneficiaries an income at least equivalent to the established minimum. This size will vary according to soil quality, geographic location, mode of production and other factors, and it shall be established in the provisions that this regulatory dictates.

Article 11. In the cases mentioned in paragraphs 1, 2 and 3 of Article 9, the Ministry of Agricultural Development and Agrarian Reform will grant, free of charge, an agrarian reform deed, which cannot be revoked in any way. It is transferable only through undivided inheritance and can be used as a guarantee to obtain farming equipment. This deed will be issued by the Ministry of Agricultural Development and Agrarian Reform through an agreement.

### Chapter III

On the appropriation procedure:

Article 12. The declaration of property appropriation considered in clauses A, B and C, of Article 2 of this law, will be issued by the Agricultural Development and Agrarian Reform Ministry and will be based on proposals from the ministry's regional delegation.

Article 13. In the cases considered in Clause D of Article 2 of this law, the property appropriation declaration will be made by the Agricultural Development and Agrarian Reform Ministry. The ministry will base its declaration on a technical report from a qualified organization of the national finance system.



Article 14. Once the appropriation has been declared, the owner will be notified in writing. The notification will include the following information:

A. The reasons for the appropriation;

B. The date when the appropriated farm will be taken.

Article 15. When the owner is not present, the notification mentioned in the previous article can take place by means of a note that will be given to any responsible person present on the appropriated farm. If there is no such person on the property, or if the note is not accepted, then the note will be fixed to the door or in any other visible place on the property.

Article 16. In the cases considered by clauses A, B and C of Article 2 of the present law, once the owner is notified of the appropriation, he will have 30 days to appear before a regional delegation to declare under oath the area and assets connected with the property. If the affected person fails to tell the truth under oath or fails to appear within the established period, he will have forfeited the indemnity to which owners are entitled. In the case of abandoned properties, once an owner is notified, the corresponding regional delegation will make an inventory of the assets. The inventory will be signed by the owner, manager or administrator of the farm, or, in their absence, by the regional director of the ministry. In all cases, if the affected person removes assets from the appropriated real estate, this person could be guilty of stellionate, a fraud specified in the penal code.

#### Chapter IV

On indemnity and the form of payment:

Article 17. The land and other assets appropriated by the agrarian reform will be paid for with agrarian reform bonds. The amount of bonds, their form, interests and conditions will be established in the regulations of the present law. Land and other assets appropriated because of abandonment will pass to the state without indemnity.

Article 18. Once the Agricultural Development and Agrarian Reform Ministry resolution is signed, this ministry will agree on a declaration based on the appropriation or seizure. A certificate of this agreement will be registered in authorized public records.

Article 19. The indemnity will be established within 90 days of the appropriation, after the transfer is satisfactory. The basis for this payment will be the average value declared for fiscal purposes during the past 3 years. If the owner has made no declaration of property value, it will be established by agricultural development and agrarian reform experts.

If the assets appropriated by the agrarian reform have been mortgaged, and if this was properly done, the state will assume the mortgage payments whenever the mortgaged property is an agricultural and livestock enterprise and whenever this enterprise represents the only guarantee given for money received.



If several properties have been offered to guarantee payment, and these properties are not agricultural enterprises or if the property is to be expropriated or appropriated only partially, or if the property is appropriated because of abandonment, then, without having to go through any additional special proceeding, the Agricultural Development and Agrarian Reform Ministry will determine what portion of the debt it will pay.

For the purpose of mortgages and other real guarantees, debts will be considered to be divisible. The certification of the resolution of the Agricultural Development and Agrarian Reform Ministry will serve as a public record that will register the division of the debt.

In cases where this situation applies, the portion of the debt assumed by the state will be deducted from the indemnity to be paid.

Article 21 [as published]. Persons affected by Article 2 of this law who have no other source of income will be given a monthly pension that in no case will be less than 1,000 cordobas.

#### Chapter V

##### The National Council of Agrarian Reform:

Article 22. The National Council of Agrarian Reform is hereby created. The council will advise the Agricultural Development and Agrarian Reform Ministry on the development of agrarian reform policies. The National Council of Agrarian Reform will be constituted as follows:

- A. The agricultural development and agrarian reform minister, or his delegate, who will preside over it.
- B. The president of the National Union of Farmers and Cattlemen, or his delegate.
- C. The secretary general of the Agricultural Workers Association, or his delegate.
- D. The general director of the Directorate for Peasant Promotion.
- E. The director of the Agrarian Reform Research and Study Center.
- F. The director of the Financial Corporation of Nicaragua, or his delegate.
- G. A delegate from the Planning Ministry.

Article 23. The National Council of the Agrarian Reform can create regional or departmental organizations responsible for helping the National Council carry out its duties whenever the council deems necessary.

#### Chapter IV

On agricultural development and agrarian reform areas:

Article 24. It is understood that an agricultural development and agrarian reform area is a specific geographical area of the country where special production, a territorial arrangement [ordenamiento territorial], irrigation or population settlement program is being carried out.

Article 25. The proper minister will identify the agricultural development and agrarian reform areas in places of the country which are considered adequate for successfully and fruitfully carrying out the plans and projects referred to in the preceding article.

Article 26. Within an agricultural development and agrarian reform area, the proper minister may issue special regulations regarding landholding and determine the appropriateness of the use of the soil and other natural resources related to agriculture and cattle breeding, in light of the specific plans and projects established for the area.

## Chapter VII

### On agrarian courts:

Article 27. Agrarian courts are hereby created to act as jurisdictional administrative bodies in charge of hearing and resolving, in definitive instances, all suits filed by persons affected by resolutions issued by the Agricultural Development and Agrarian Reform Ministry pursuant to this law.

Article 28. The agrarian courts will be composed of three members appointed by the junta of the government of national reconstruction. The organization, operation and territorial jurisdiction of the courts will be subject to the provisions of the regulations to be issued by the junta of the government of national reconstruction for such purpose.

Article 29. The affected party may file an appeal with the proper agrarian court on the third day [as published] against a resolution of the Agricultural Development and Agrarian Reform Ministry. Agrarian court rulings cannot be appealed and admit no filing for remedies, not even habeas corpus [amparo].

## Chapter VIII

### Special provision:

Article 30. The state may dispose of any amount of land which may be necessary for the Miskito, Sumu and Rama communities to farm them individually or collectively and to enjoy the benefits of their natural resources in order that the inhabitants may improve their standard of living and contribute to the Nicaraguan nation's social and economic development.

## Chapter IX

### Final provisions:

Article 31. Following the promulgation of this law, acts or contracts to modify, alter or transfer the holding or title to properties whose owners hold more than 500 manzanas in Zone A and more than 1,000 manzanas in Zone B may only be carried out with authority from the Agricultural Development and Agrarian Reform Ministry. The limits of 500 and 1,000 manzanas are established in accordance with the provisions of Articles 3, 4 and 5 of this law.

Article 32. De facto actions to modify the holding or ownership of land are hereby prohibited. Any land request or claim will be funneled through the Agricultural Development and Agrarian Reform Ministry.

Article 33. No breaking up of rural properties which may result in the creation of plots with a smaller surface than that stipulated in the regulations of this law, bearing in mind the size required to provide peasant families with a level of income equivalent to the minimum wage, may be carried out following the enactment of the present law.

Article 34. The Agricultural Development and Agrarian Reform Ministry may directly exploit or lease as well as receive the respective rental payments for all lands not affected by Article 2 of this law which, as determined by the Agricultural Development and Agrarian Reform Ministry, remain fallow during the respective agricultural season or whose owners do not positively express a determination to till them. If the owner subsequently evidences a desire to till his land, these will be turned over to him at the end of the respective farming season.

Article 35. Whether or not their contract is in effect, tenants of lands not affected by this law will have priority in extending their rights to receive from their lessors the same lands they tilled previously. Lessors may not deny the lands to them. The Agricultural Development and Agrarian Reform Ministry will resolve all cases involving conflicts regarding the application of this provision through its regional offices.

Article 36. Should lands be under lease at the time of expropriation, the Agricultural Development and Agrarian Reform Ministry guarantees the contract, always provided the tenant is tilling them efficiently.

Article 37. The Agricultural Development and Agrarian Reform Ministry is empowered to determine the amount of rent for all rural lands throughout the country.

Article 38. There will be no right to invoke constitutional guarantees [recurso de amparo] against agrarian reform rulings.

Article 39. Following the promulgation of this law, owners of rural lands subject to Article 2 of this law may not withdraw any properties of any kind and will otherwise face losing the indemnity payable to them once the appropriation is declared.

Article 40. The Agricultural Development and Agrarian Reform Ministry will issue special regulations on national and common lands.

Article 41. A certificate from the Agricultural Development and Agrarian Reform Ministry that the respective property is not affected by the agrarian reform law

will be an indispensable requirement to continue suits in process over rural lands or to file new ones at the common courts.

Article 42. The issuance of documents connected with this law will be exempt from the payment of stamp taxes [or the use of] stamped paper.

Article 43. Public registrars of real estate properties are empowered to register, in accordance with the laws, all documents or titles issued by the Agricultural Development and Agrarian Reform Ministry pursuant to this law and its regulations.

Article 44. The Agricultural Development and Agrarian Reform Ministry is empowered to issue the regulations of this law. As long as this is not issued, the law will be enforced by means of resolutions issued by the Agricultural Development and Agrarian Reform Ministry.

Article 45. This is a law of public order and it repeals all laws and regulations contrary to it.

Article 46. This law will enter into force as of its publication in the "Official Gazette," the official newspaper.

Issued in the city of Managua on this 19th day of July 1981, "year of defense and production."

Junta of the government of national reconstruction.

(Signed) Sergio Ramirez Mercado, Daniel Ortega Saavedra, Rafael Cordova Rivas.

CSO: 3010/1823



## SUPPORT DEMANDED FOR ROYO'S STAND ON TREATY

PA031501 Panama City CRITICA in Spanish 31 Aug 81 p 31

[Article by Carlos Rangel M. "The Canal Commission"]

[Excerpts] As had been expected by all Panamanians aware of the political bad faith of the American reactionaries--who to our misfortune have handled Panamanian-U.S. affairs--and as we publicly admitted by General Torrijos when he said that the new treaty put us under "the umbrella of the Pentagon," the public has learned about the many maneuvers, tricks and shady deals being executed by the [Panama Canal] Commission's majority group to destroy the concessions agreed upon by the two nations which should consider themselves friends. In us, at least, the United States has always had a loyal and unmistakable ally. We learned of these moves through the courageous and outspoken statements of Ricardo Rodriguez, a member of the canal commission's minority group.

Rodriguez' statements show that in 22 months the canal commission has only met five times, only to be entertained with the reading of the administrator's report, which is so obsolete it is often obvious and only puts the Panamanian representatives in the mere role of "listeners," depriving them of any kind of initiative, something that is so necessary in any collegiate body such as the so-called commission.

Rodriguez also denounced the interference of the U.S. Congress. Several members of this Congress were recently tried for their involvement in the "Abscam" operation (a trap prepared by the FBI to discover those who accept bribes). Mr Murphy, one of the country's fiercest enemies and slanderers, has been pulled out of this Congress as a rotten apple. Rodriguez' statements have caused an impact among the citizens, who can remain alert in the face of the abusive, immoral and unethical tactics of the politicians who now represent the shock force of the main cowboy, sitting on high in the White House, to develop the movie action of a government that is willing to return to the practices of the Far West.

I must repudiate the arrogant, cynic and brutal attitude of the American politicians who look at their neighbors with contempt and use power to back their blatancy.

For this reason I ask my fellow countrymen to give full support to the government of President Aristides Royo in its efforts to see that these rights that were legally obtained in the treaty are respected. I urge the president to take his vibrant and restrained speech to the United Nations General Assembly, as has been announced, to reveal the villainous origins of these contractors, who violate all the rules of the game when it comes to keeping the promise made to a small, defenseless and trusting country which still believes in the praiseworthy values of decency.



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**DATE FILMED**

25 Sept. 1981